
Health Care & Wellness Committee

HB 1220

Brief Description: Regulating insurance rates.

Sponsors: Representatives Rolfes, Cody, Appleton, Frockt, Hinkle, Liias, Fitzgibbon, Jinkins, Hunt, Van De Wege, Moeller and Kenney; by request of Insurance Commissioner.

Brief Summary of Bill

- Makes formulae, statistics, and assumptions submitted as part of a health insurance rate filing open to public inspection and copying.
- Repeals the expiration date on the Office of the Insurance Commissioner's authority to review health insurance rates on the individual market.

Hearing Date: 1/27/11

Staff: Jim Morishima (786-7191).

Background:

The Office of the Insurance Commissioner (OIC) has the authority to regulate health insurance companies in Washington. As part of this authority, the OIC has the authority to review insurance rates in both the individual and small group markets. Insurers are required to file their individual and group rates with the OIC. The OIC may disapprove the rates if they are unreasonable in relation to the benefits in the agreement. The OIC also reviews individual and small group market insurers for compliance with statutory requirements such as adjusted community rating and medical loss ratios (for purposes of determining remittances to the Washington State Health Insurance Pool).

An insurance filing is open to public inspection and copying except for actuarial formulae, statistics, and assumptions submitted in support of the filing.

The OIC's authority to review individual market rates expires on January 1, 2012.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

Actuarial formulae, statistics, and assumptions submitted in support of a rate filing are open to public inspection and copying.

The expiration date on the OIC's authority to review individual market rates is repealed.

Appropriation: None.

Fiscal Note: Requested on 1/17/11.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.